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SUBJECT: PACIFIC THOUGHTS ON RESTRUCTURE OF REGIONAL
ORGANIZATIONS - ACTION REQUEST

Summary

1. (U) Pacific leaders tasked a group of experts to consider ways regional agencies might be rationalized. The experts' report advocates realigning 10 regional agencies into three pillars. The Pacific Island Forum (PIF), the regional policy-oriented body, would acquire policy/negotiation aspects of the Forum Fisheries Agency (FFA). The Secretariat of the Pacific Community (SPC) would become an umbrella, amalgamating Pacific technical agencies, including the Secretariat of the Pacific Regional Environmental Agency

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(SPREP), the South Pacific Applied Geoscience Commission (SOPAC), and technical aspects of the FFA. The third pillar, regional educational institutions, would be unchanged.

2. (SBU) Given that the USG is a member of the SPC and SPREP and contributes to those agencies' funding, the technical-pillar proposal deserves particular attention from the U.S. The aim of amalgamation is to consolidate oversight of regional technical assistance, minimize redundancies, and increase cost efficiency, though the proposal advocates against any shift of current agency locations. An aspect that remains unclear to us is what impact, if any, the amalgamation would have on SPC contributions for governments like the U.S. that are members of some but not all the technical agencies. The proposal will be considered at a Forum Officials Conference (FOC) just prior to this year's PIF meeting, now expected to be held in Nadi, Fiji, in late October. Action request: please provide USG comments or questions well in advance of the FOC. End summary.

Expert review of Pacific regional-organization structures

3. (U) The Pacific Plan Action Committee met in Nadi, Fiji, on August 24-25 to consider a broad agenda. Included were reports from a group of regional experts tasked to consider proposals for "Reforming the Pacific Regional Institutional Framework" and for revising the Post-Forum Dialogue (see septel). The U.S. and French embassies in Suva sought and received the opportunity to observe those latter two sessions.

Juggling "political" and "technical" agencies

14. (U) The experts group recommended a major restructuring of the ten regional agencies represented on the Council of Regional Organizations in the Pacific (CROP): the PIF; the SPC; SPREP; FFA; SOPAC; Fiji School of Medicine (FSM); Pacific Islands Development Program (PIDP); South Pacific Board of Educational Assessment (SPBEA); South Pacific Tourism Organization (SPTO); and the University of the South Pacific (USP). An independent expert, Tony Hughes, had provided the PIF a report in 2005 that proposed to consolidate five major organizations: PIF, SPC, SPREP, SOPAC, and FFA. Many leaders and observers quickly concluded such an approach was unrealistic, particularly in its attempt to blend the "political" PIF with apolitical "technical" organizations. The Hughes model would have created significant political difficulties for the U.S. and some U.S. territories, which are members of the SPC but are not members of the PIF.

Proposal: three pillars - policy; technical; educational

15. (U) The recommendation is for three "pillars." The Pacific Islands Forum (PIF) would remain as the region's political/economic policy-making organization, though its "core business" would be more clearly defined than at present. Core competencies would include economic and political policy development, human rights, governance, trade, and peacekeeping/security. The one addition to the PIF would be the policy/negotiation functions of the Forum Fisheries Agency (FFA). The rest of the FFA, plus other "technical" agencies (SPREP, SOPAC, SPBEA, and eventually SPTO) would fold into the second pillar, under the governance of the existing SPC. (SPTO consideration is put off in good part because the experts couldn't figure how to handle the PRC's membership of that regional tourism institution.) The academic and training institutions (FSM, PIDP, and USP) would remain unamalgamated entities under the third, education,

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pillar. The group advocates that the new structures be in place by January 1, 2009.

SPC umbrella for technical agencies: efficiency goal

16. (U) The report argues that merging the technical agencies would significantly strengthen regional collaboration. The experts said many critics have faulted the current CROP arrangement for providing insufficient inter-agency coordination, resulting in mission creep and inefficient, confusing overlaps. Bringing all under an SPC umbrella should make the rationalizing of functions easier. Consultants have estimated a cost savings from amalgamation of US\$6 million/year, but the experts group figures US\$3 million is more realistic. The group emphasized that the motivation is not cost savings but more efficient provision of important services to the region. When asked the impact on senior staffing in technical agencies, the response was that "there will be no clarity until the amalgamated entity is up and running." The transition emphasis will be on "maintaining the integrity of service delivery."

Consolidating locations too hot to touch...

17. (SBU) The report proposes to maintain the current locations of the various agencies, apparently even including all elements of the to-be-split FFA. Consolidation is to be via management oversight, not co-location, which clearly would be too big a political challenge. At the Nadi meeting, the Samoa and RMI delegates complained that maintaining the SPC headquarters in Noumea, New Caledonia, is much more expensive than headquartering in Suva, and Samoa raised concern about "unnecessary" French translation costs. The French observer (DCM in Suva) suggested French subsidies for the Noumea operation ease the financial burden; and given France's membership in the SPC, translations will be required wherever the technical HQ is located.

...but increasing geographic distribution a popular theme

¶18. (U) We note that the experts group made a separate recommendation that regional organizations establish offices or at least place staff members in each member country and territory in order to strengthen "the nexus between regional and national initiatives." We presume this would mean a Pacific regional-organization presence in Guam and American Samoa (both of which participate in SPC meetings), as well as in the French territories.

Comment

¶19. (SBU) The U.S., as a member of the SPC and SPREP, makes annual budgetary contributions to both. The U.S. also supports PIDP, located with the East-West Center in Honolulu. We are not members of the other CROP agencies. While the three-pillars approach appears to remove the Hughes Report's political issue, it would create management challenges for the umbrella SPC, which would be tasked to amalgamate and rationalize very rapidly a variety of geographically separated, diverse technical agencies. Left unclear in the experts' recommendations is what impact, if any, consolidation of additional agencies under the SPC umbrella would have on SPC member contributions. When offered an opportunity to comment at the Nadi meeting, we noted a long-standing USG interest in keeping the SPC budget lean and its programs cost-effective.

Action request

¶10. (U) The experts' report, newly published, received only a modest amount of comment in Nadi; but the chairman made clear the proposals will receive further deliberation at a Forum Officials Conference (FOC) just prior to the PIF annual meeting October 23-26. (Note: the PIF meeting and its Post-Forum Dialogue will now be held in Nadi, rather than Tonga, due to the deteriorating health of Tonga's King.) We have provided a copy of the experts' report to EAP/ANP for further distribution in Washington. Please provide USG comment on the report ASAP, well before the October FOC meeting. Thanks.

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